

September 15, 2009

To the Members of the Select Board, Town Administrator
Moultonborough Town Hall
Moultonborough, New Hampshire, 03254

The ABC would like to offer the following observations and comments to the Moultonborough Board of Selectmen and Town Administrator related to the Town Salary Survey recently completed by Thornton Associates.

The general ABC consensus is that although the survey provided a great deal of information related to position classification and respective salary ranges we were disappointed that it fell short on defining and placing appropriate emphasis on the "Total Compensation" approach as requested in our 2009 budget review. During the ABC initial meeting with Gary Thornton, most of the discussion centered on "Total Compensation" and the need to have a tool to understand such. The report did make an attempt to look at the various elements that comprise "Total Compensation", although attention appeared focused on % percentage of cost covered versus value of benefits provided. The spreadsheet requested by ABC, and subsequently provided by Thornton after the study was completed, provides a narrow overview of what our Committee requested; yet by itself does not provide the scope of value we were hoping to receive. However, towards ABC's goal of having a data study that provides the town with the very useful analysis of "Total Compensation" this Thornton spreadsheet is at least a step in the right direction whereas the original study does not provide any measurable value in this area. The ABC will continue to explore with the BOS and Administration the concept of "Total Compensation" with emphasis on employee benefits.

Our specific recommendations related to the current wage and salary process and Thornton Study are as follows:

The committee would like to see the Town proceed with a "Pay for Performance" wage and salary structure replacing the current automatic step structure (providing the employee meets a job satisfactory performance review). The Committee believes that a performance rating of satisfactory is a minimum requirement for maintaining a job, not an entitlement to increased compensation.

The ABC recognizes the need for, and encourages the Town to develop, a robust annual appraisal process to facilitate "Pay for Performance".

The Committee would like to encourage the Town to eliminate the current COLA mindset. In its place the wage and grade ranges should be adjusted annually to reflect current changes in the Consumer Price Index. This process does not guarantee all a minimum cost of living pay raise.

The Committee also would like to encourage the Town to move away from the current longevity adjustments and again stress the "Pay for Performance" concept.

The Town should develop a corrective plan to deal with employees that may fall outside of the adopted position grade structure (this assumes the BOS will adopt the recommended grade and salary structure)

Respectively submitted,

Moultonborough Advisory Budget Committee

Alan Ballard
Jean Beadle
Karel Crawford
Kathy Gary
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